

JULY 29, 1991

THE DIRECTOR OF THE DIVISION OF STATE LANDS & FORESTRY TOOK FORMAL ACTION ON JULY 29, 1991 AT 9:30 A.M. IN THE DIVISION OF STATE LANDS & FORESTRY OFFICE, 355 WEST NORTH TEMPLE, 3 TRIAD CENTER, SUITE 400, SALT LAKE CITY, UTAH 84180-1204, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

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MINERAL LEASE APPLICATIONS

OIL, GAS & HYDROCARBON MINERAL LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Oil, Gas and Hydrocarbon lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands and Forestry. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

<u>Mineral Lease Appl. No. 45373</u>	<u>T38S, R21E, SLB&amp;M.</u>	San Juan County
Vern Jones	Sec. 16: All	640.00 acres
P.O. Box 753		
Salt Lake City, UT 84110		

<u>Mineral Lease Appl. No. 45391</u>	<u>T33S, R7E, SLB&amp;M.</u>	Garfield County
Ben Donegan	Sec. 16: All	640.00 acres
3224 Candelaria NE		
Albuquerque, New Mexico		
87107		

\* \* \* \* \*

METALLIFEROUS MINERALS LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Mansfield, the Director approved the Metalliferous Minerals lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available. The reassessment date for these leases is August 1, 2001.

<u>Mineral Lease Appl. No. 45368</u>	<u>T20S, R14W, SLB&amp;M.</u>	Millard County
Crown Resources Corporation	Sec. 32: All	640.00 acres
1225 Seventeenth St., Suite 1500		
Denver, CO 80202		
Local: P.O. Box 579		
Delta, UT 84624		

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METALLIFEROUS MINERALS LEASE APPLICATIONS - APPROVED (CONT'D)

<u>Mineral Lease Appl. No. 45369</u> Crown Resources Corporation 1225 Seventeenth St., Suite 1500 Denver, CO 80202 Local: P.O. Box 579 Delta, UT 84624	<u>T21S, R16W, SLB&amp;M.</u> Sec. 36: All	Millard County 640.00 acres
<u>Mineral Lease Appl. No. 45370</u> Crown Resources Corporation 1225 Seventeenth St., Suite 1500 Denver, CO 80202 Local: P.O. Box 579 Delta, UT 84624	<u>T22S, R15W, SLB&amp;M.</u> Sec. 36: All	Millard County 640.00 acres
<u>Mineral Lease Appl. No. 45371</u> Crown Resources Corporation 1225 Seventeenth St., Suite 1500 Denver, CO 80202 Local: P.O. Box 579 Delta, UT 84624	<u>T19S, R16W, SLB&amp;M.</u> Sec. 16: All	Millard County 640.00 acres
<u>Mineral Lease Appl. No. 45372</u> Crown Resources Corporation 1225 Seventeenth St., Suite 1500 Denver, CO 80202 Local: P.O. Box 579 Delta, UT 84624	<u>T18S, R16W, SLB&amp;M.</u> Sec. 32: All	Millard County 640.00 acres
<u>Mineral Lease Appl. No. 45384</u> Crown Resources Corporation 1225 Seventeenth St., Suite 1500 Denver, CO 80202 Local: P.O. Box 579 Delta, UT 84624	<u>T22S, R14W, SLB&amp;M.</u> Sec. 32: All	Millard County 640.00 acres
<u>Mineral Lease Appl. No. 45385</u> Crown Resources Corporation 1225 Seventeenth St., Suite 1500 Denver, CO 80202 Local: P.O. Box 579 Delta, UT 84624	<u>T18S, R16W, SLB&amp;M.</u> Sec. 16: All	Millard County 640.00 acres

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METALLIFEROUS MINERALS LEASE APPLICATIONS - APPROVED (CONT'D)

<u>Mineral Lease Appl. No. 45386</u>	<u>T23S, R15W, SLB&amp;M.</u>	Millard County
Crown Resources Corporation	Sec. 2: Lots 1, 2,	813.96 acres
1225 Seventeenth St., Suite 1500	3, 4, 5, 6,	
Denver, CO 80202	7, 8, S $\frac{1}{2}$ N $\frac{1}{2}$ , S2	

Local: P.O. Box 579  
Delta, UT 84624

<u>Mineral Lease Appl. No. 45387</u>	<u>T19S, R17W, SLB&amp;M.</u>	Millard County
Crown Resources Corporation	Sec. 16: All	640.00 acres
1225 Seventeenth St., Suite 1500		
Denver, CO 80202		

Local: P.O. Box 579  
Delta, UT 84624

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TOTAL ASSIGNMENT--OIL, GAS, AND HYDROCARBON LEASE

Upon recommendation of Mr. Bonner, the Director approved the assignment of the lease listed below to High Plains Energy Company, 1600 Broadway, Suite 1565, Denver, CO 80202, by Vern Jones. No override.

LEASE OWNERSHIP: VERN JONES

....ML 45158....

INTEREST ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of 25% interest in and to the leases listed below to Washington Energy Exploration, Inc., P.O. Box 1869, Seattle, WA 98111, by Sierra Energy Company. No override.

LEASE OWNERSHIP: WASHINGTON ENERGY EXPLORATION, INC.-75%,  
AND SIERRA ENERGY COMPANY--25%

....ML 40512....ML 40516....

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TOTAL ASSIGNMENTS--METALLIFEROUS MINERALS LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of the leases listed below to Kennecott Exploration Company, 10 East South Temple, Salt Lake City, UT 84101, by Kennecott Corporation. No override.

LEASE OWNERSHIP: KENNECOTT CORPORATION

....ML 44407....ML 43644....ML 43926....ML 43858....ML 44008....

Upon recommendation of Mr. Bonner, the Director approved the assignment of the leases listed below to Up In Smoke Mining, P.O. Box 188, Santaquin, UT 84655, by Centurion Mines Corporation. No override.

LEASE OWNERSHIP: CENTURION MINES CORPORATION

....ML 42976....ML 43197....

INTEREST ASSIGNMENTS--COAL LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of 50% interest in and to the leases listed below to Intermountain Power Agency, 480 East 6400 South, Suite 200, Murray, UT 84107, by Nevada Electric Investment Company. No override.

LEASE OWNERSHIP: NEVADA ELECTRIC INVESTMENT COMPANY

....ML 21568....ML 21569....

ASSIGNMENT OF SUBLEASE AGREEMENT--COAL LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of 50% interest in the sublease of the leases listed below to Intermountain Power Agency, 480 East 6400 South, Suite 200, Murray, UT 84107, by Nevada Electric Investment Company. No override.

LEASE OWNERSHIP: MALCOLM N. MCKINNON

SUBLEASE: NEVADA ELECTRIC INVESTMENT  
COMPANY

....ML 23177....ML 23178....

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NAME CHANGE -- USEVER, INC. INTO KENNECOTT CORPORATION -- ML 43634,  
ML 43858, ML 43926, ML 44008, ML 44012, ML 44164, ML 44175, ML 44404,  
ML 44407, ML 44887, ML 44922, AND ML 45268 - METALLIFEROUS MINERALS

This office has received evidence that effective June 30, 1989, Usever, Inc. changed its name to Kennecott Corporation.

Upon recommendation of Mr. Bonner, the Director noted the above-stated name change. Said change was also noted in the above-listed lease files.

STATEWIDE BOND OF LESSEE - BOND NO. 203521

Anadarko Petroleum Corporation has submitted an \$80,000 State of Utah Statewide Bond of Lessee to cover their oil and gas exploration and development operations on State lands. The surety is Seaboard Surety Company, Bond No. 203521.

Upon recommendation of Mr. Bonner, the Director approved Bond No. 203521.

REPLACEMENT OF OIL AND GAS DRILLING BOND

On January 6, 1986, the Director accepted a State of Utah Statewide Bond of lessee from Snyder Oil Company in the amount of \$25,000 to cover their oil and gas exploration and development operations on State lands. The surety is Highlands Insurance Company, Bond No. 101883.

Snyder Oil Corporation has requested release of Bond No. 101883 as they have submitted for approval a replacement bond, Bond No. 58-24-88 in the amount of \$25,000 with Gulf Insurance Company as surety to cover their oil and gas exploration and development operations on State lands.

Upon recommendation of Mr. Bonner, the Director approved the release of Bond No. 101883 and approved Bond No. 58-24-88 as replacement.

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#### SURFACE BUSINESS MATTERS

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#### GRAZING PERMITS

##### REINSTATEMENT OF GP 22546-1 (AMORTIZATION AGREEMENT)

The permittee, Tracy Williams, of the above referenced amortization agreement has requested that it be reinstated to avoid cancellation of the associated grazing permits. The 1991 annual fee (\$58.77), late fee (\$10.00), and a reinstatement fee (\$20.00) have all been submitted.

Upon recommendation of Mr. Bagley, Mr. Carter approved the reinstatement of GP 22546-1.

##### REINSTATEMENT OF GRAZING LEASE GP 22776

Wood Brothers, Box 1484, Lyman, Utah 84749, have requested reinstatement of the above referenced grazing lease which was cancelled for non-payment on June 7, 1991. All rental, late fees and the \$20 reinstatement fee have been paid.

Upon recommendation of Ms. Swain, Mr. Carter approved the reinstatement of GP 22776.

##### REINSTATEMENT OF GRAZING LEASE GP 22623

Russell Greathouse, P.O. Box 217, Lynndyl, Utah 84749, has requested reinstatement of the above referenced grazing lease which was cancelled for non-payment on June 7, 1991. All rental, late fees and the \$20 reinstatement fee have been paid.

Upon recommendation of Ms. Swain, Mr. Carter approved the reinstatement of GP 22623.

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GRAZING PERMITS (CONT'D)

AMENDMENT OF GRAZING PERMIT GP 20339 (DELETION OF ACREAGE AND AUMS)

Berkley Anderson, P.O. Box 532, Glenwood, UT 84730, has requested that the following land be deleted from GP 20339:

T23S, R2W, SLB&M  
Sec. 36: N2, SE4, E2SW4

Sevier County

T24S, R2W, SLB&M  
Sec. 2: All

Sevier County

Mr. Anderson is selling his interest in this lease to Cove Mountain Sheep Company. Total acres deleted are 1,100 and total AUMS deleted are 65. This lease will now contain 1,074.41 acres and 28.18 AUMS at \$2.32/AUM equaling \$121.47 plus a \$.05/AUM weed fee of \$1.41 totaling \$144.88. The \$20 amendment fee has been submitted.

Upon recommendation of Ms. Swain, Mr. Carter approved the amendment of GP 20339.

AMENDMENT OF GRAZING PERMIT GP 20339 (TRANSFER OF FEES)

Staff requests that grazing fees of \$150.80 and weed fees of \$3.25, representing 65 AUMs, be transferred from GP 20339 to GP 22826. The fees for these AUMs were paid for under GP 20339 and subsequently deleted and picked up under GP 22826.

Upon recommendation of Ms. Swain, Mr. Carter approved the transfer of fees from GP 20339 to GP 22826.

AMENDMENT OF GRAZING PERMIT GP 21235 (ADDITION OF ACREAGE AND AUMS)

Moore Land and Livestock, P.O. Box 103, Green River UT 84525, has requested that the following land be added to GP 21235:

T27S, R14E, SLB&M  
Sec. 36: All

Wayne County

The new acreage for this lease is 6,352.92 acres representing 362 AUMs equaling \$839.84 grazing fees and a weed fee of \$.05/AUMs equaling \$18.10 totaling \$857.94. The \$20 amendment fee has been submitted.

Upon recommendation of Ms. Swain, Mr. Carter approved the amendment of GP 21235.

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GRAZING PERMITS (CONT'D)

AMENDMENT OF GRAZING PERMIT GP 22448B (WAIVER OF AUMS)

Lynn Bagley has requested that 16 AUMs be waived to Duane Hallows on the above lease. The \$20 waiver fee has been submitted.

Upon recommendation of Ms. Swain, Mr. Carter approved the amendment of GP 22448B.

AMENDMENT OF GRAZING PERMIT GP 20420 (WAIVER OF AUMS)

Milton Taft has requested that 178 AUMs be waived to Andy Taft on the above lease. The \$20 waiver fee has been submitted.

Upon recommendation of Ms. Swain, Mr. Carter approved the amendment of GP 20420.

ASSIGNMENT OF GRAZING PERMIT GP 20676

Hansen Brothers, Elsinore, Utah 84724, have requested permission to assign 100% of their interest in the above grazing lease to Keith Anderton, Marysvale, Utah 84750. The \$20 assignment fee has been submitted.

Upon recommendation of Ms. Swain, Mr. Carter approved the assignment of GP 20676.

FEE CREDIT OF GRAZING PERMIT GP 21281

The Division requests that an overpayment of \$20 on this lease be credited to their 1992 grazing fees. This lease was renewed in 1989 and by Division error renewed again in 1990 with a resultant \$20 overpayment.

Upon recommendation of Ms. Swain, Mr. Carter approved the fee credit of GP 21281.

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RIGHT OF ENTRY

RIGHT OF ENTRY NO. 3570

On July 26, 1991, Richard J. Mitchell, Director, approved the request of the Utah Division of Indian Affairs, Suite 103, 324 S. State Street, Salt Lake City, UT 84111, for the purpose of leasing a sewing plant/public purpose on the following State land:

Township 40 South, Range 24 East, SLB&M San Juan County  
Montezuma Creek Subdivision No. 2, Section 32, Township 40 South, Range 24 East, SLB&M: State land between the northern boundaries of lots 53, 55, and 54, and the 20 foot-wide roadway to the north. Land is approximately 60 to 75 feet wide and 275 feet long.

The fee for this right of entry is \$200.00, plus a \$50.00 application fee, for a total of \$250.00. School fund.

The Director approved Right of Entry No. 3570 with an expiration date of July 26, 1992.

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RIGHT OF ENTRY NO. 3569

On July 29, 1991, Mr. Michael M. Clugston, Southwest Area Land Specialist, pursuant to R632-40-2 and in accordance with direction and delegation of authority, approved the request of G.L.A.S.S. Media, Inc., 351 South La Brea Ave., #202, Los Angeles, CA 90036, to conduct film production across the following described State lands:

T43S, R11W, SLB&M, Washington Co.  
Sec. 2: S2 (Within)

The filming will last only one day with a crew of less than 50 people. The filming will take place on July 30, 1991. The minimum fee of \$150.00 was collected along with a \$50.00 application fee; school fund.

In accordance with direction and delegation from Mr. Storey, Mr. Clugston approved Right of Entry No. 3569 with an expiration date of July 31, 1991.

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ASSIGNMENT OF RIGHT OF WAY 567

The Department of Transportation has requested permission to assign 100% of its interest in the above right of way to Wayne County, 18 South Main, Loa, Utah 84747. The \$20 assignment fee has been submitted.

Upon recommendation of Ms. Swain, the Director approved the assignment of Right of Way 567.

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SPECIAL USE LEASES

SPECIAL USE LEASE NO. 523 (Five Year Review)

SULA No. 523 is leased to Bert Delambert, P.O. Box 607, Vernal, Utah 84078.

1. ANNUAL RENTAL

The five-year review date for this lease was April 1, 1991. The subject property is used for the purpose of agricultural and residential (farmhouse). Based upon the Board-approved index for this type of lease, it is recommended that the lease fee be increased from \$320.00 per year to \$375.00, retro-active to April 1, 1991. Because of inaccessibility, we were unable to visit the site and fully review the lease until July 1991, this is why the date to April 1, 1991 is retro-active. A certified notice was sent to the lessee. Rental increase was also discussed with Lessee during review site inspection.

2. DUE DILIGENCE

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. PROPER USE

The leased premises are being used in accordance with the lease agreement.

4. ADEQUATE BOND COVERAGE

A bond was not required.

5. ESTABLISHMENT OF WATER RIGHTS

There are no water rights associated with this SULA.

6. POLLUTION AND SANITATION REGULATIONS

The lessee is in compliance with the pollution, sanitation, and waste provisions of the lease.

7. NEXT FIVE YEAR REVIEW DATE: April 1, 1996.

Upon recommendation of Mr. Bagley, the Director approved the five year review for SULA 523.

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SPECIAL USE LEASES (CONT'D)

SPECIAL USE LEASE NO. 829

NAME OF LESSEE:

Sanders Brine Shrimp Company  
3850 South 540 West  
Ogden, Utah 84405

LESSEE #: 5423  
ROD 89-6019 SULA 820/829  
APPROVAL DATE: 08/02/89  
ROD 91-0304-SULA 829  
AMENDED APPROVAL DATE: 04/26/91

LEASE TYPE: IND  
DATE OF APPLICATION: 02/02/89  
BEGINNING DATE: 08/01/90  
EXPIRATION DATE: 07/31/00  
DUE DATE: 0801  
REASSESSMENT DATE: 08/01/95  
ACRES: 2,000.75

FUND: School  
COUNTY: Box Elder (2)  
TERM OF LEASE: 10 years  
RENTAL: \$76,009.50  
APPLICATION FEE: \$50.00  
ADVERTISING FEE: \$43.20  
TOTAL AMOUNT COLLECTED: \$76,102.70

LEGAL DESCRIPTION:

Township 6 South, Range 9 West, SLB&M

Section 7: Lots 1-4  
Section 8: Lots 1-4  
Section 9: Lots 1-5  
Section 10: Lots 1, 2  
Section 15: Lots 1  
Section 16: Lots 1-6  
Section 21: Lots 1-10  
Section 22: Lots 1, 2, 8, 9, 11  
Section 23: Lot 1  
Section 26: Lots 1-7  
Section 35: Lots 1, 2 (Above Surveyed Meander Line)

Township 6 North, Range 10 West, SLB&M

Section 13: Lots 1-3  
Section 14: Lots 1-5

COMMENTS:

Paragraph two (2) of the lease agreement was modified on April 26, 1991 to allow the lessee to pay the annual rental either in full or on a quarterly basis of four equal payments including interest as per Division rule on the unpaid balance plus a \$100.00 administrative fee per payment.

SULA 829 was approved by the Director on April 26, 1991, and is submitted by Mr. Tripp on these minutes for record keeping purposes.

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AMENDMENT OF SULA 686 (DELETION OF ACREAGE)

Hill Air Force Base has requested that the following land be deleted from SULA 686:

T18S, R17W, SLB&M Millard County  
Sec. 32: N2NE4NW4NW4 (within)

This lease was acquired by the Air Force to develop four High Accuracy Multiple Object Tracking System sites ("HAMOTS"), on four different State sections in western Millard County. They ended up developing three of the sites and not needing the fourth identified above. The fee for this SULA was based on \$500/site and each site is approximately 5 acres in size. Total acres deleted is 5. The new acreage for this lease is 15 and the new fee will be \$1,500/year. The \$20 amendment fee has been submitted.

Upon recommendation of Mr. Brown, the Director approved the amendment of SULA 686.

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MATERIALS PERMITS

MATERIALS PERMIT NO. 115

NAME OF LESSEE:

NED B. MITCHELL, INC.  
PO BOX 186  
ALTAMONT, UT 84001-0186

LESSEE #: 5423  
RECORD OF DECISION NO.:  
91-0520-MP 115  
APPROVAL DATE: 06/11/91

LEASE TYPE: S&G  
DATE OF APPLICATION: 02/15/91  
BEGINNING DATE: 07/01/91  
EXPIRATION DATE: 06/30/96  
DUE DATE: 0701  
REASSESSMENT DATE: 08/01/95  
ACRES: 38.00

FUND: School  
COUNTY: Uintah (24)  
TERM OF LEASE: 5 years  
RENTAL: \$380.00  
APPLICATION FEE: \$50.00  
ADVERTISING FEE: \$126.00  
TOTAL AMOUNT COLLECTED: \$1,350.00

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MATERIALS PERMITS (CONT'D)

MATERIALS PERMIT NO. 115 (cont'd)

LEGAL DESCRIPTION:

Township 4 South, Range 20 East, SLB&M  
Section 34:  $E\frac{1}{2}SE\frac{1}{4}NW\frac{1}{4}$ ,  $E\frac{1}{2}W\frac{1}{2}SE\frac{1}{4}NW\frac{1}{4}$ ,  $SE\frac{1}{4}NE\frac{1}{4}NW\frac{1}{4}$ ,  $SW\frac{1}{4}SW\frac{1}{4}NW\frac{1}{4}NE\frac{1}{4}$ ,  $W\frac{1}{2}W\frac{1}{2}SW\frac{1}{4}NE\frac{1}{4}$

Those lands located 60 feet South of the center of State Highway No. 121 and 60 feet North of an existing electric power transmission line; which lands are within the following Sub-Sections of Section 34:  $E\frac{1}{2}SE\frac{1}{4}NW\frac{1}{4}$ ,  $E\frac{1}{2}W\frac{1}{2}SE\frac{1}{4}NW\frac{1}{4}$ ,  $SE\frac{1}{4}NE\frac{1}{4}NW\frac{1}{4}$ ,  $SW\frac{1}{4}SW\frac{1}{4}NW\frac{1}{4}NE\frac{1}{4}$ ,  $W\frac{1}{2}W\frac{1}{2}SW\frac{1}{4}NE\frac{1}{4}$

COMMENTS:

- 1) Refund of over-payment of deposits: Permittee is to be refunded \$194.00. All beginning deposits and rentals have been paid.
- 2) Royalty Rate: The royalty rate will be 25¢ per cubic yard.

Materials Permit No. 115 was approved by the Director on June 11, 1991, and is submitted by Mr. Bagley on these minutes for record keeping purposes.

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INTEREST RATE

CURRENT YEAR

YEAR AGO

Base Rate

8.50

10.00

  
\_\_\_\_\_  
RICHARD J. MITCHELL, DIRECTOR  
DIVISION OF STATE LANDS & FORESTRY

  
\_\_\_\_\_  
CANDEE H. PENMAN, SECRETARY

ARCHIVES APPROVAL NO. 7900209

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